

Response to survey. (This is a GIL.)

November 15, 2004

Dear Xxxxx:

This letter is in response to your letter dated September 10, 2004, in which you request information. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at www.ILTAX.com to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your letter you have stated and made inquiry as follows:

Last year you reviewed information concerning the Retailers' Occupation Tax and Use Tax in Illinois as applied to ABC. Thank you for responding to our inquiry.

We are now working on updating this information for the 2004 edition of our publication designed to aid in estimating cost for proposed projects. Please review the enclosed paragraphs and make any necessary corrections or comments.

Thank you again for your assistance. It is greatly appreciated. If you would like a copy of our tax section, please let me know. I will be happy to send you a copy when the 2004 version is printed.

DEPARTMENT'S RESPONSE:

Sales and Use Taxes

Please note the State of Illinois imposes a Retailers' Occupation Tax and Use Tax at the rate of 6.25% on the sale or use of tangible personal property. A municipality may impose its own occupation taxes for tangible personal property sold within the municipality.

Effective June, 2003, the Department of Commerce and Community Affairs has been renamed. It is currently the Department of Commerce and Economic Opportunity ("DCEO") that determines whether a business enterprise meets the criteria prescribed in Sections 1d and 1e of the Retailers' Occupation Tax Act for the enterprise zone requirements. Upon receiving a certification from DCEO that a particular business meets the requirements, the Department of Revenue notifies the public utility and telecommunications providers that the business is exempt from certain public utility and telecommunication taxes.

I hope this information is helpful. If you require additional information, please visit our website at www.ILTAX.com or contact the Department's Taxpayer Information Division at (217) 782-3336. If you are not under audit and you wish to obtain a binding PLR regarding your factual situation, please submit a request conforming to the requirements of 2 Ill. Adm. Code 1200.110 (b).

Very truly yours,

Edwin E. Boggess
Associate Counsel

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